

Message Text

CONFIDENTIAL

PAGE 01 SAN SA 04265 01 OF 04 151523Z

53

ACTION ARA-10

INFO OCT-01 ISO-00 AGR-05 AGRE-00 CIAE-00 DODE-00 PM-04

H-02 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02

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R 142330Z SEP 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 2187

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 1 OF 4 SAN SALVADOR 4265

APPROPRIATE ADDRESSEE PLEASE PASS TO ASSISTANT SECRETARY

E.O. 11652: GDS

TAGS:PGOV, PINT, PINS, ES

SUBJECT: AGRARIAN TRANSFORMATION - THE POLITICAL PLAY INTENSIFIES

1. SUMMARY - THE MOLINA ADMINISTRATION ON JUNE 30 ANNOUNCED THE FIRST PROJECT FOR IMPLEMENTATION UNDER ITS ONE YEAR OLD AGRARIAN TRANSFORMATION PROGRAM (ISTA). THIS ANNOUNCEMENT BROUGHT THE PREVIOUS THEORETICAL AGRARIAN REFORM DISCUSSION DOWN TO THE SPECIFICS OF A GIVEN ZONE, THE COTTON GROWING LANDS OF SAN MIGUEL AND USULUTAN, AND IDENTIFIABLE LANDOWNERS. THE PROJECT CALLS FOR GOVERNMENT PURCHASE OF PROPERTY IN EXCESS OF DECREED LIMITATIONS, PRESUMABLY FOR REDISTRIBUTION. REACTION TO THE FIRST PROJECT WAS IMMEDIATE, FOR THE MOST PART UNFAVORABLE AND COUCHED IN UNUSUALLY STRONG TERMS. THE HUE AND CRY WAS FIRST LED BY THE NATIONAL PRIVATE ENTERPRISE ASSOCIATION (ANEP), A FEDERATION OF TRADE AND PRODUCER ASSOCIATIONS, JOINED LATER BY NUMEROUS AD HOC BUT WELL FINANCED PRESSURE GROUPS. ALL ACCUSE THE GOES OF STATIST TENDENCIES, SUBMISSION TO FOREIGN PRESSURES, DISREGARD FOR THE "SALVADORAN REALITY" AND THE PRESENT HIGH PRODUCTIVITY OF THE SELECTED SITE, ETC. THE GOVERNMENT, PARTICULARLY THE PRESIDENT, CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SAN SA 04265 01 OF 04 151523Z

HAS ANSWERED IN KIND AND SAID ISTA WILL MOVE AHEAD. THE LONE

VOICES OF SUPPORT FOR THE GOVERNMENT HAVE COME FROM THE UCS, THE CATHOLIC UNIVERSITY (UCA) AND THE COMMUNIST PARTY, BUT THEY HAVE APPLAUDED THE THEORY OF AGRARIAN REFORM RATHER THAN THE SPECIFICS OF ISTA.

2. THE RESULT OF THIS ACRIMONIOUS DEBATE, IN COMBINATION WITH THE NORMAL TENSIONS AND DIVISIONS OF THE JUST BEGUN PRESIDENTIAL SUCCESSION PROCESS, IS A NATIONAL CASE OF JITTERS. THE EMBASSY HAS THE IMPRESSION THAT NO SINGLE PERSON OR INSTITUTION IS IN CONTROL OF EVENTS, THAT THE DEVELOPING SCENARIO IS AN ACTION-REACTION ONE, AND THAT THE POSSIBILITY EXISTS FOR A FURTHER DETERIORATION AS THE SITUATION POLARIZES. THE BIG QUESTION MARKS ARE MOLINA'S COMMITMENT, HIS CHOSEN SUCCESSOR GENERAL ROMERO'S INTENTIONS, AND HOW THE OFFICER CORPS FEELS. END SUMMARY.

3. BACKGROUND - IN JUNE 1975, THE MOLINA ADMINISTRATION PROMULGATED THE CREATION OF THE SALVADORAN INSTITUTE OF AGRARIAN TRANSFORMATION (ISTA), DESCRIBED AS THE INSTITUTIONAL VEHICLE TO IMPLEMENT THE REGIME'S LONG PROMISED AGRARIAN PROGRAM THE ISTA SJABLING LEGISLATION WAS PUSHED THROUGH THE NATIONAL ASSEMBLY WITH MINIMAL DEBATE, DESPITE EVIDENCE THAT AN EMBARRASSING NUMBER OF GOVERNMENT DEPUTIES WERE ABOUT TO DEFEY PARTY DISCIPLINE AND VOTE

AGAINST ISTA FOR REASONS OF CONSCIENCE AND/OR BRIBERY. THE LEGISLATIVE REVOLT DID NOT OCCUR AND THE BILL PASSED OVERWHELMINGLY. ONE YEAR LATER, ON JUNE 30, 1976, THE REGIME ANNOUNCED A FIRST PROJECT AREA FOR IMPLEMENTATION OF ITS PROGRAM (SEE SAN SALVADOR 4001). THE PROJECT ZONE, SOME 84 THOUSAND MANZANAS IN EXTENSION, IS KNMPRISED OF LARGE PORTIONS OF THE TWO EASTERN DEPARTMENTS OF SAN MIGUEL AND USULUTAN. THE LEGISLATION SETS MAXIMUM SIZE LIMITATIONS ON PRIVATE LAND HOLDINGS. OF A REPORTED 12,000 PROPERTIES IN THE FIRST PROJECT ZONE, ISTA ANNOUNCED ON AUGUST 16 THAT 281 EXCEEDED THE LIMITS AND WOULD BE "ACQUIRED" BY THE GOVERNMENT.

4. CURIOSLY JUXTAPOSED WITH THE ANNOUNCEMENT OF THE FIRST ISTA PROJECT, ONE DAY LATER PRE IDENT MOLINA ACCEPTED THE RESIGNATION OF DEFENSE MINISTER COL CARLOS HUMBERTO ROMERO. THE RESIGNATION AND HIS SUBSEQUENT NOMINATION ON SEPTEMBER 11 BY THE GOVERNMENT PCN PARTY MEAN THAT ROMERO WILL BE THE GOVERNMENT'S CANDIDATE IN THE PRESIDENTIAL ELECTION OF MARCH 1977, AND THUS THE MOST LIKELY SUCCESSOR TO MOLINA.

5. TOUTED AS THE CREATION OF AN INTER-MINISTERIAL TASK FORCE, CONFIDENTIAL

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PAGE 03 SAN SA 04265 01 OF 04 151523Z

OUR BEST EVIDENCE NEVERTHELESS INDICATES THAT THE FIRST ISTA PROJECT WAS ALMOST TOTALLY DESIGNED WITHIN THE MINISTRY OF PLANNING (FORMERLY KNOWN AS CONAPLAN, BUT ELEVATED TO MINISTRY STATUS DURING ITS WORK ON THIS PROJECT). AN INTER-MINISTERIAL COMMITTEE HAD BEEN FORMED, WITH PARTICIPATION FROM ALL INTERESTED GOVERNMENT MINISTERIES AND AGENCIES, BUT THE PLANNING MINISTER, ATILIO VIEYTEZ, AND HIS RELATIVELY SMALL STAFF WORKED ALMOST FULL TIME AND ON THEIR OWN TO PRODUCE THE FIRST PROJECT. THE

REASONS FOR THIS WERE MANY, INCLUDING: THE MINISTER OF AGRICULTURE APPARENTLY WAS NOT SUPPORTIVE OF WHAT WAS BEING DESIGNED, SO HIS PEOPLE DID NOT PARTICIPATE; ISTA, THOUGH IT TOOK OVER THE OLD INSTITUTO DE COLONIZACION RURAL (ICR) AND GAVE IT A NEW NAME AND NEW LEADERSHIP, SPENT THE YEAR BETWEEN ITS FORMAL ESTABLISHMENT AND THE ANNOUNCEMENT OF ITS FIRST PROJECT TRYING TO ORGANIZE ITSELF. ISTA, AS AN INSTITUTION, DID NOT BEGIN TO ATTAIN A SERIOUS IMAGE UNTIL MAY 10, 1976, WHEN GENERAL EFRAIN TEJADA, A HIGHLY RESPECTED MILITARY OFFICER WITH A BACKGROUND IN LOGISTICS AND MANAGEMENT, WAS NAMED ITS PRESIDENT.

CONFIDENTIAL

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PAGE 01 SAN SA 04265 02 OF 04 151535Z

53

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FM ANQMBASSY SAN SALVADOR

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INFO AMEMBASSY GUATEMALA

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C O N F I D E N T I A L SECTION 2 OF 4 SAN SALVADOR 4265

Y. A SECOND CURIOUS JUXTAPOSITION OF EVENTS, ALSO PERHAPS COINCIDENTAL BUT WITH OVERTONES OF BEING PART OF THE FORMING BATTLE OVER THE FIRST PROJECT, WAS THE "DISAPPEARANCE" OF THE MINISTER OF AGRICULTURE, LT COL ROBERTO ESCOBAR GARCIA, AT ABOUT THE TIME THE ANNOUNCEMENT WAS MADE, I.E., LATE JUNE. ESCOBAR GARCIA, THOUGHT TO BE HIGHLY CRITICAL OF THE WHOLE ISTA CONCEPT, WAS ALSO A HIGHLY TOUTED RIVAL TO ROMERO IN THE RACE TO SUCCEED MOLINA. HIS UNEXPLAINED DEPARTURE FROM PUBLIC VIEW AND ABSENCE FOR SIX WEEKS CONTRIBUTED TO RUMORS OF POSSIBLE COUP PLOTTING AND DISCONTENT AMONG THE MILITARY OFFICER CORPS. SOME THOUGHT THE MINISTER HAD GONE INTO EXILE, OTHERS THAT HE WAS UNDER HOUSE ARREST. THE TRUTH SEEMS TO BE THAT HE LEFT

QUIETLY TO UNDERGO SURGERY IN HOUSTON. HE HAS RETURNED, BUT REPORTEDLY IS FIGHTING CANCER. WHERE IN EARLY JUNE ESCOBAR GARCIA APPEARED TO HAVE A GOOD CHANCE IN THE PRESIDENTIAL SWEEPSTAKES, HIS SICKNESS AND LOSS IN THE BATTLE OVER ISTA APPEAR TO HAVE GUTTED HIS CANDIDACY.

7 REACTION TO THE PROJECT - REACTION TO THE FIRST CONCRETE PROJECT WAS NOT LONG IN COMING. TEN DAYS AFTER THE GOES ANNOUNCEMENT, THE NATIONAL ASSOCIATION OF PRIVATE ENTERPRISE (ANEP), AN UMBRELLA ORGANIZATION COMPOSED OF 25 PRODUCER AND SECTOR ASSOCIATIONS, TOOK DOUBLE-PAGE ADS IN ALL NEWSPAPERS
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PAGE 02 SAN SA 04265 02 OF 04 151535Z

WHICH REOUNDLY DENOUNCED THE GOVERNMENT PROPOSAL. ANEP'S BASIC ARGUMENTS ARE: (Q) THE AREA SELECTED BY THE GOVERNMENT FOR ITS FIRST PROJECT IS THE BEST AND MOST PRODUCTIVE LAND IN THE COUNTRY; (2) THIS LAND PRESENTLY PRODUCES MORE THAN 50 PERCENT OF THE NATION'S COTTON CROP, A PRIME EXPORT EARNER, AND THE GOVERNMENT PROGRAM WILL DESTROY THE PRODUCTIVITY; (3) THE GOVERNMENT SHOULD START ITS AGRARIAN REFORM PROGRAM ON A SMALLER SCALE, WITH LANDS ALREADY UNDER ITS CONTROL, I.E., PROPERTIES OWNED BY THE GOVERNMENT ITSELF; (4) THE GOES FAILED TO CONSULT WITH THE PRIVATE SECTOR BEFORE ANNOUNCING THE PROJECT DESIGN, EVIDENCE OF ITS INCREASINGLY "STATIST" ORIENTATION (THIS LATER TURNED INTO THE CHARGE THAT THE REGIME IS BECOMING INCREASINGLY "COMMUNIST"); (5) THE GOVERNMENT DID NOT HAVE THE RESOURCES NECESSARY TO DESIGN SUCH

A PROGRAM, MUCH LESS IMPLEMENT IT, THEREFORE IT MUST HAVE RELIED ON FOREIGN HELP (INCLUDING IMPLICITLY US AID) IN ITS PLANNING, I.E., THE PROGRAM IS NOT BASED ON THE "REALITIES" OF EL SALVADOR; AND (6) THE LAND ACQUISITION PROVISIONS OF THE LAW ARE UNCONSTITUTIONAL SINCE THE 1962 CONSTITUTION PROVIDES WILL PROTECTION TO THE RIGHTS OF PRIVATE PROPERTY.

8. THE GOES WAS NOT LONG IN MOUNTING A COUNTERATTACK. THE VERY NEXT DAY, IT PLACED ITS OWN TWO-PAGE RESPONSE. THE REGIME'S POSITION WAS THAT IT REMAINED FIRMLY COMMITTED TO THE PROJECT AS ANNOUNCED. THE GOVERNMENT ADS, SURPRISINGLY STRONGLY WORDED, REJECTED ALL OF ANEP'S ARGUMENTS. THE GOES CLAIMED THAT FAR FROM BEING A "SURPRISE", THE ISTA CONCEPT AND THE FIRST PROJECT'S GENERAL OUTLINE HAD BEEN PROMISED BY PRESIDENT MOLINA IN VIRTUALLY EVERY MAJOR SPEECH HE HAS MADE SINCE TAKING OFFICE. THE GOES COUNTERED ANEP'S PRODUCTIVITY STATISTICS OF THE TARGET ZONE WITH ITS OWN FIGURES PURPORTING TO PROVE A PATTERN OF UNDER-UTILIZATION. THE GOES REBUTTAL ALSO CONTAINED DATA PROVING THE ZONE SUFFERS FROM ALL THE MAJOR DEPRIVATIONS OF THE AGRARIAN SECTOR THROUGHOUT THE NATION - INADEQUATE EDUCATION, PUBLIC HEALTH SERVICES, HOUSING, ETC. THE REGIME CATEGORICALLY DENIED THAT OUTSIDERS HAD PLAYED ANY ROLE IN THE PROJECT'S DESIGN OR WOULD HAVE ANY ROLE IN ITS IMPLEMENTATION
THE GOVERNMENT ADS

ACCUSED ANEP'S MEMBERS OF THINKING ONLY OF THEIR OWN NARROW
ECONOMIC INTERESTS, AND OF HAVING ENJOYED THE FRUITS OF OTHERJKS
LABORS TOO LONG. A SECOND GOES MANIDZESTO A FEW DAYS LATER
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PAGE 03 SAN SA 04265 02 OF 04 151535Z

DESCRIBED RICH PEOPLE LOUNGING ON THE BEACHES WHILZ THE
GOVERNMENT'S TECHNOCRATS WORKED DAY AND NIGHT TO RIGHT THE
NATION'S ILLS. INTRODUCTION OF THE THOUGHT THAT AGRARIAN REFORM
REPRESENTS A STRUGGLE BETWEEN THE IDLE RICH AND THE GOVERNMENT
FIGHTING FOR THE MASSES, WORRIES SOME WHO SEE IT AS "CLASS
STRUGGLE" ARGUMENT WHICH COULD EASILY GET OUT OF HAND.
9. THE NEWSPAPER BATTLE BETWEEN THE GOVERNMENT ON ONE SIDE,
ANEP AND ITS AFFILIATE ASSOCIATIONS ON THE OTHER, CONTINUES TO
THIS DAY. EVERY OTHER DAY OR SO FOLLOWING THE INITIAL EXCHANGE,
ANOTHER MEMBER ASSOCIATION OF ANEP TAKES OUT A TWO-PAGE AD TO
BLAST THE GOVERNMENT AND THE PROJECT.THE GOES HAS GCPLIED IN
KIND. NUMEROUS AD HOC GROUPS SUCH AS THE WOMEN OF SAN MIGUEL,
THE TOURISM ASSOCIATION OF THE ORIENT, THE PRO-HUMAN RIGHTS
COMMITTEE, ETC., HAVE APPEARED AND TAKEN NEWSPAPER SPACE TO ATTACK
THE GOVERNMENT. NON-GOVERNMENT SUPPORT OF THE PROJECT
HAS BEEN SPARSE. ONE ORGANIZATION THAT ANNOUNCED ITS BACKING
WAS THE UNION COMUNAL SALVADORENA (UCS). THE CATHOLIC UNIVERSITY
(UCA) ALSO ANNOUNCED SUPPORT FOR THE PHILOSOPHY BEHIND THE
PROJECT AND A WILLINGNESS TO CONTRIBUTE THE SCHOOL'S TECHNICAL
AND HUMAN RESOURCES FOR RATIONAL IMPLEMENTATION. A THIRD
GROUP WHICH PUBLICLY SUPPORTED THE GOVERHMENT WAS THE COMMUNIST
PARTY (PCES). THIS LATTER SUPPORT WAS CATEGORICALLY REJECTED
BY PRESIDENT MOLINA. THE CAPITAL'S NEWSPAPERS, ALL BUT ONE
(LA CRONICA) OPPOSED TO THE ISTA PROJECT IN THEIR EDITORIALS,
HAVE PLAYED UP THE PCES SUPPORT AND SIMILAR NEGATIVE CONNECTIONS.

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PAGE 01 SAN SA 04265 03 OF 04 151600Z

53
ACTION ARA-10

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R 142330Z SEP 76

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 2189

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

C O N F I D E N T I A L SECTION 3 OF 4 SAN SALVADOR 4265

APPROPRIATE ADDRESSEE PLEASE PASS TO ASSISTANT SECRETARY

10. REACTION TO THE UCA ANNOUNCEMENT, WHICH HAD BEEN SIGNED BY THE UNIVERSITY'S RECTOR, ROMAN MAYORGA QUIROS, ILLUSTRATES THE FEELINGS GENERATED BY THE ISSUE. THE LANDOWNER MOST AFFECTED BY SLECTION OF THE USULUTAN COTTON AREAS WAS JUAN WRIGHT, THE NATION'S LARGEST COTTON PRODUCER. HIS WIFE, AIDA CASTRO DE WRIGHT, THEREFORE WROTE AN OPEN LETTER TO THE RECTOR. CLAIMING MAYORGA QUIROS HAD BEEN BROUGHT UP BY HER PARENTS AS A "MEMBER OF THE FAMILY", MRS. WRIGHT ACCUSED HIM OF BEING THE INTELLECTUAL AUTHOR OF THE ISTA PROJECT AND IMPLIED THAT HE WAS A TRAITOR TO HIS CLASS. IN SELF DEFENSE THE RECTOR PLACED AN ANSWER IN ALL PAPERS THE FOLLOWING DAY. ADDRESSED TO "DEAR AIDA", MAYORGA QUIROS DENIED HAVING HAD ANYTHING TO DO WITH DRAFTING THE LAW BUT REAFFIRMED HIS SUPPORT TO ITS INTENDED GOAL. SHORTLY THEREAFTER, A BOMB SEVERELY DAMAGED THE PRINT SHOP OF THE CATHOLIC UNIVERSITY.

11. THE CRUNCH COMES - UNDER THE ISTA LAW, THE 281 LANDOWNERS IN THE PROJECT AREA WITH EXCESSIVE PROPERTY WERE GIVEN UNTIL AUGUST 30 TO ANNOUNCE WHETHER OR NOT THEY INTENDED TO SELL THEIR LAND TO THE GOVERNMENT. THIS DEADLINE WAS ANNOUNCED ON AUGUST 17. SIX DAYS LATER, IN A MEETING ATTENDED BY SOME CONFIDENTIAL

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PAGE 02 SAN SA 04265 03 OF 04 151600Z

2 -3,000 PEOPLE FROM THE AFFECTED ZONE, THE LANDOWNERS ANNOUNCED THEIR COLLECTIVE REJECTION OF THE GOVERNMENT OFFER. THE LAND-OWNERS, CALLING THEMSELVES FARO (FRENTE AGROPECUARIO DE LA REGION ORIENTAL) MET IN SAN MIGUEL ON AUGUST 23 AND ISSUED A DEFIANT STATEMENT THAT THEY WOULD NEVER SELL THEIR LAND TO THE GOVERNMENT AND WOULD PREFER TO DIE FIGHTING FOR IT. THE PRINCIPAL SPOKESMAN FOR FARO AT THIS FIRST MEETING WAS FRANCISCO JOSE "CHATCHI" GUERRERO, FORMER FOREIGN MINISTER, PCN DIRECTOR GENERAL AND PRESIDENT OF THE NATIONAL ASSEMBLY, NOW IN PRIVATE LAW PRACTICE FOR THE NATION'S MOST POWERFUL ECONOMIC INTEREST GROUPS. ISTA SKSEQUENTLY PROLONGED THE LANDOWNERS FILING DEADLINE TO SEPTEMBER 3. BUT BY THE CLOSING DATE, ISTA COULD CLAIM THAT ONLY 85 OF 281 HAD FILED. FOLLOW-ON MEETINGS OF FARO, AND SYMPATHIZERS FROM ALL PARTS OF THE COUNTRY, DREW SOME 4 - 5,000 EQUALLY DEFIANT

LANDOWNERS ON SEPTEMBER 4 AND 5-7,000 IN SONSONATE ON SEPTEMBER 12. A SEPTEMBER 10 PROTEST MARCH IN USULUTAN, COMPOSED MOSTLY OF CAMPESINOS EMPLOYED ON THE AFFECTED HACIENDAS AND FORCED TO MARCH OR LOSE THEIR WORK, AND STUDENTS, ENDED IN GUNFIRE AND THE DEATH OF AT LEAST ONE PARTICIPAMR (SAN SALVADOR 4209).

12. IN THE TWO MONTHS SINCE THE FIRST ISTA PROJECT WAS ANNOUNCED, PRESIDENT MOLINA HAS MADE MANY SPEECHES AND HELD SEVERAL PRESS CONFERENCES. HE HAS REPEATEDLY STATED HIS INTENTION TO CARRY THROUGH ON ISTA. HE HAS JUST AS REPEATEDLY INSISTED THAT THE PROJECT DID NOT COME FROM UCA OR USAID, NOR, MORE EMPHATICALLY, FROM THE PCES. DESPITE THESE DISCLAIMERS, THE TONE OF THE PRIVATE SECTOR'S DENUNCIATIONS HAS GROWN EVER MORE STRIDENT AND REFERENCES TO THE "COMMUNIST-MARXIST" EXPROPRIATORY ASPECTS OF THE LAW ARE BEING HEARD AMONG MANY SECTORS. SUCH ACCUSATIONS MUST BE PERPLEXING TO MOLINA, WHO CONSISTENTLY BLAMES THE NATION'S ILLS ON AN INTERNATIONAL COMMUNIST CONSPIRACY. THE LAST WEEK HAS SEEN THE OPPOSITION INCREASINGLY FOCUS ON THE GOVERNMENT TECHNOCRATS.

13 THE COUNTRY IS RIFE WITH SPECULATION AS TO WHAT IT ALL MEANS. SOME RUMORS INVOLVE COUP PLOTTING, OTHERS, INSIDE KNOWLEDGE THAT IMENERAL ROMERO WILL NEVER IMPLEMENT THE PROJECT, AND A FEW CLAIM THAT THE ENTIRE SCENARIO IS DESIGNED TO IMPOSE AN EVEN MORE AUTHORITARIAN GOVERNMENT.

14. COMMENT - ISTA AND ITS FIRST PROJECT ARE THE ISSUES OF THE DAY IN EL SALVADOR. THEIR IMPORTANCE ARE NOT LIKELY TO DIMINISH IN THE SIX MONTHS AHEAD, AS THE COUNTRY APPROACHES THE MARCH 1977
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PAGE 03 SAN SA 04265 03 OF 04 151600Z

SELECTION OF A SUCCESSOR REGIME. THE SUCCESSION PROCESS, UNINSTITUTIONALIZED AND ADH (SEE A-4 OF JANUARY 20, 1976), IN AND OF ITSELF NORMALLY CREATES UNCERTAINTIES AND TENSIONS THROUGHOUT THE SYSTEM. THE ADDITION OF SUCH A POTENTIALLY EXPLOSIVE, AND POLARIZING, ISSUE CAN ONLY COMPLICATE ALL ASPECTS OF THE PROCESS.

15. THE MOOD OF THE COUNTRY HAS UNQUESTIONABLY TURNED JITTERY SINCE THE END OF JUNE. ECONOMICALLY, STROES CIRCULATE OF HOW MUCH PRIVATE CAPITAL HAS FLED TO SAFER HAVENS, HOW MUCH NEW INVESTMENT HAS BEEN CANCELLED AS A RESULT OF THE UNCERTAINTY, AND HOW SALES OF FERTILIZERS ALUMINUM IRRIGATION PIPE, AND FA

O EQUIPMENT HAVE DROPPED MARKEDLY. POLITICALLY, A SCHISM HAS APPEARED BETWEEN TWO OF THE THREE MAJOR SUQZORTS OF THE REGIME - THE ECONOMIC OLIGARCHY AND THE GOVERNMENT TECHNOCRATS. IN WHICH DIRECTION THE REMAINING, AND MOST IMPORTANT, BLOC MIGHT TILT - THAT IS WHAT THE MILITARY OFFICER CORPS THINKS OF ALL THIS - IS PROBLEMATIC. THE POTENTIAL EXISTS FOR THE APPEARANCE OF MONOLITHIC MILITARY OFFICER SUPPORT FOR MOLINA, AND BY INFERENCE FOR HIS CHOSEN HEIR ROMERO, TO

RESOLVE UNDER THE PRESSURE OF EVENTS ALREADY
SET IN MOTION. THE EMBASSY HAS THE IMPRESSION THAT NO SINGLE
PERSON OR INSTITUTION IS IN CONTROL OF EVENTS, THAT THE
DEVELOPING SCENARIO IS AN ACTION-REACTION SITUATION.

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PAGE 01 SAN SA 04265 04 OF 04 151552Z

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FM AMEMBASSY SAN SALVADOR

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INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

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C O N F I D E N T I A L SECTION 4 OF 4 SAN SALVADOR 4265

16. ONE POSSIBLE TURN OF EVENTS THAT COULD FURTHERPOLARIZE
THE SITUATION, AND INTENSIFY PRESSURES ON THE NOW UNCOMMITTED
OFFICER CORPS TO INTERVENE, WOULD BE BLOODSHED. THE POTENTIAL
IS THERE. LANDOWNERS ARE FIRMLY, AND INCREASINGLY, COMMITTING
THEMSELVES TO A "DIE RATHER THAN YIELD" POSITION. CAMPESINOS,
AT LEAST THOSE NOT FRIGHTENED BY THEIR LANDOWNER PATRONS, ARE
MAKING CONTINGENCY PLANS FOR MASSIVE LAND INVASIONS IF THE
GOVERNMENT SHOWS SIGNS OF YIELDING TO SUCH LANDOWNER PRESSURES.
17 DESPITE ALL THE PASSION AND POTENTIAL FOR CONFLICT, THERE
ARE WAYS OUT. THE GOES COULD BACK DOWN, LETTING THE PROJECT LIE
DEAD IN THE WATER UNTIL ROMERO COMES IN, AT WHICH TIME HE COULD
"TAKE A NEW LOOK AT IT". THE RISK OF THIS APPROACH WOULD BE
CAMPESINO DISILLUSIONMENT. ROMERO MIGHT BE ATTEMPTING SUCH A
JUGGLING ACT ALREADY. EMBASSY CONTACTS IN ANEP SAY THAT ROMERO
HAS GIVEN THAT ORGANIZATION HIS FIRM ASSURANCE THAT ITS MEMBERS
HAVE NOTHING TO FEAR ONCE HE ASSUMES POWDX. AT THE SAME TIME,
THE EX-MINISTER HAS GIVEN HIS WORD TO THE UCS LEADERSHIP THAT HIS
REGIME WILL BE FULLY COMMITTED TO THE CAMPESINO CAUSE, AND WILL

INVOKE FUNDAMENTAL REFORMS AT A FAR QUICKER PACE THAN THE
PRESENT ADMINISTRATION.

IT IS DIFFICULT TO UNDERSTAND, MUCH LESS
RECONCILE, SUCH CONTRADICTORY PROMISES. ONE EXPLANATION IS THAT
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PAGE 02 SAN SA 04265 04 OF 04 151552Z

ROMERO DOES NOT SEE HIS PATCH TO THE PRESIDENCY AS STRAIGHT AND
CERTAIN AS IT APPEARS, AND THAT HE IS WILLING TO COMMIT HIMSELF
TO ANY GROUP WILLING TO SUPPORT HIS CANDIDACY. IF THIS IS HIS
STRATEGY, IT IS SHORT SIGHTED, AT BEST, CONSIDERING THE EXPECT-
TATIONS HE WILL HAVE GENERATED ON ALL SIDES OF THIS EXPLOSIVE
ISSUE. ROMERO'S ATTITUDE TOWARDS ISTA AND THE CONCEPT BEHIND IT
REMAINS A LARGE QUESTION MARK.

18. SO TOO DOES MOLINA'S. EVERYONE HAS A DIFFERENT IMPRESSION
OF THE PRESIDENT'S INTENT AND MOTIVATION IN PUSHING AGRARIAN
REFORM AT THIS TIME. WHY, WITH LESS THAN ONE YEAR IN OFFICE
REMAINING, DOES HE JEOPARDIZE HIS VERY CHANCE OF SURVIVAL
IN OFFICE? WHY WITH EACH ROUND OF THE GOVERNMENT'S PUBLIC DEBATE
WITH ANEP DOES THE PRESIDENT PAINT HIMSELF FURTHER INTO THE
CORNER? MANY OBSERVERS CLAIM THAT MOLINA, PERHAPS UNINTENTIONALLY,
ALREADY HAS OVERCOMMITTED HIMSELF TO THE IMMEDIATE IMPLEMENTATION.
THIS THEORY SAYS THAT THE PRESIDENT'S MACHISMO IS NOW AT STAKE.
CONNECTED WITH THIS IS THE THOUGHT THAT MOLINA IS LOOKING
NOW TO THE HISTORIC RECORD OF HIS ADMINISTRATION, AT HOW
WELL HE FULFILLED HIS PROMISES OF REFORM.

19. LAST, THERE IS THE GREAT QUESTION MARK OF THE MILITARY
OFFICER CORPS. THE PRESIDENT AND HIS ADVISORS HAVE SPENT A
GREAT DEAL OF TIME GOING TO THE CUARTELS EXPLAINING ISTA. HOW
SUCCESSFULLY IS UNKNOWN. A MAJOR PROBLEM IS THAT THE SPECIFIC
PROJECT THAT THE GOVERNMENT PUT FORTH HAS NO REAL CONSTITUENCY
BEHIND IT, BEHIND THE PLANNERS AND TECHNICIANS WHO DESIGNED IT.
UCA, UCS AND OTHER VOICES OF SUPPORT HAVE ALL BEEN CAREFUL
TO PROCLAIM COMMITMENT TO AGRARIAN REFORM, NOT TO THE SPECIFICS
OF THIS PARTICULAR PROJECT. SINCE THE GOVERNMENT DID NOT
CONSULT PRIVATE SECTORS BEFORE ANNOUNCING THE PROJECT, ALBEIT
BECAUSE PAST EFFORTS AT PRIOR CONSULTATION ON REFORM ACTS HAVE
CREATED SUCH ADVERSE REACTIONS THAT THE REFORM WAS SCUTTLED, IT
CAN ONLY TRY TO BUILD A CONSTITUENCY NOW, IN THE MIDST OF THE
BATTLE. IT HAS SO FAR FAILED TO DO YET.
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Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: powellba
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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Film Number: D760348-0380
From: SAN SALVADOR
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1976/newtext/t19760962/aaaacbad.tel
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Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
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